



PUBLIC NOTICE

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DA 07-125

Released: January 19, 2007

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF
CONTROL OF MADISON RIVER COMMUNICATIONS CORP. AND MADISON
RIVER TELEPHONE COMPANY, LLC TO CENTURYTEL, INC.**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 07-3

Comments Due: February 2, 2007

Reply Comments Due: February 9, 2007

On January 3, 2007, Madison River Communications Corp. ("Madison River Corp.") and Madison River Telephone Company, LLC ("Madison River LLC") (together, the "Transferors") and CenturyTel, Inc. ("CenturyTel" or "Transferee" and together with the Transferors, "the Applicants"), filed an application, pursuant to section 63.04 of the Commission's rules,¹ requesting authority to transfer control of Madison River Corp. and Madison River LLC to CenturyTel.²

Applicants assert that the proposed transaction is eligible for presumptive streamlined treatment under section 63.03(b)(2)(iii) of the Commission's rules because the Applicants are incumbent, independent local exchange carriers (LECs) that have, in combination, fewer than two (2) percent of the nation's subscriber lines installed in the aggregate nationwide, and no overlapping service areas. However, Applicants acknowledge that the Transferee provides

¹ 47 C.F.R. § 63.04; *see* 47 U.S.C. § 214.

² Applicants are also filing an application for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications. The Applicants filed two supplements to their original domestic application. *See* Letter from Michael T. Skrivan, Madison River LLC, and Stacey W. Goff, CenturyTel, to Marlene Dortch, Secretary, Federal Communications Commission, WC Docket No. 07-3 (filed Jan. 17, 2007) (Jan. 17 Supplement); and Letter from Michael T. Skrivan, Madison River LLC, and Stacey W. Goff, CenturyTel, to Marlene Dortch, Secretary, Federal Communications Commission, WC Docket No. 07-3 (filed Jan. 18, 2007).

competitive access service in Madison River's incumbent LEC territory in Illinois.³ Because the Transferee provides competitive exchange access service in geographic areas where the dominant local exchange carrier is a party to the transaction, this application is not subject to streamlined treatment.⁴ For the same reason, we reject the Applicants' request for streamlining on a case-by-case basis.⁵

Madison River Corp., a Delaware corporation, is a holding company that provides local exchange, exchange access, and long distance telecommunications services through its operating subsidiaries: Coastal Utilities, Inc. ("Coastal"), Coastal Long Distance Services LLC ("Coastal LD"), Gallatin River Communications LLC ("Gallatin River"), Gulf Telephone Company ("GulfTel"), Gulf Long Distance LLC ("Gulf LD"), Mebtel, Inc. ("Mebtel"), Mebtel Long Distance Solutions LLC ("Mebtel LD"), Madison River Long Distance Solutions LLC ("Madison River LD"), and Madison River Communications LLC (together, the "Madison River Companies"). Coastal, Gallatin River, GulfTel, and Mebtel are rural incumbent local exchange carriers (LECs) providing service in southeastern Georgia, central Illinois, the Gulf Coast of Alabama, and central North Carolina, respectively. The Madison River Companies, through Madison River Communications LLC, also provide competitive LEC exchange services in Georgia (Rice Hope exchange), Illinois (Peoria and Bloomington exchanges), and North Carolina (Raleigh, Chapel Hill, Greensboro, Winston Salem, Durham, Pittsboro, and New Bern exchanges).⁶ Madison River LD, Coastal LD, Gulf LD, Madison River Communications LLC, and Mebtel LD provide interstate and international long-distance services predominantly throughout the Madison River Companies' incumbent LEC areas and in Florida.⁷ The Madison River Companies currently serve approximately 184,000 access lines and approximately 110,000 interstate long-distance customers.

³ The Applicants assert that CenturyTel provides competitive access service, but not local exchange services, in Illinois. Specifically, the Applicants note that CenturyTel has a single point of presence for the purpose providing competitive access service in one Illinois exchange served by Madison River (Galesburg North).

⁴ See 47 C.F.R. § 63.03(b)(2)(iii); *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, 17 FCC Rcd 5517, 5533-34 (2002), para. 31 (*Streamlining Order*).

⁵ *Streamlining Order*, 17 FCC Rcd at 5535, para. 34 & n.75.

⁶ The Applicants have provided a list of the incumbent LECs, none of which is a party to this transaction, operating in each of the exchanges where Madison River Communications LLC offers competitive LEC services. See Jan. 17 Supplement, Exhibit A.

⁷ Madison River Communications, LLC and Mebtel LD provide international services pursuant to International section 214 authority held by Madison River Corp.

Madison River LLC, a Delaware limited liability company, owns 100 percent of the issued and outstanding stock of Madison River Corp. The following entities own or control 10 percent or more of Madison River LLC: (1) Madison Dearborn Capital Partners II, LP (and its funds) (36.9%); (2) Goldman Sachs & Co. (and its funds) (30.8%); and (3) Providence Equity Partners LP (and its funds) (20.3%). All three of these entities are U.S. entities. The applicants state that no other person or entity (including the equity owners of the above-named entities) owns a 10 percent or more direct or indirect interest in Madison River LLC or Madison River Corp.

CenturyTel, Inc., a Louisiana corporation, is a holding company, which, through its subsidiaries, provides local exchange, exchange access, long distance, wireless, broadband Internet access and other advances services as both an incumbent LEC and competitive LEC in the following 24 states: Alabama (incumbent LEC and competitive LEC services), Arkansas (incumbent LEC services), Colorado (incumbent LEC services), Idaho (incumbent LEC services), Illinois (competitive access service only), Indiana (incumbent LEC and competitive LEC services), Iowa (incumbent LEC services), Kansas (competitive LEC services), Louisiana (incumbent LEC and competitive LEC services), Michigan (incumbent LEC and competitive LEC services), Minnesota (incumbent LEC and competitive LEC services), Mississippi (incumbent LEC and competitive LEC services), Missouri (incumbent LEC services), Montana (incumbent LEC services), Nevada (incumbent LEC services), New Mexico (incumbent LEC services), Ohio (incumbent LEC and competitive LEC services), Oklahoma (incumbent LEC services), Oregon (incumbent LEC services), Tennessee (incumbent LEC and competitive LEC services), Texas (incumbent LEC and competitive LEC services), Washington (incumbent LEC services), Wisconsin (incumbent LEC and competitive LEC services), and Wyoming (incumbent LEC services).

The Applicants assert that none of the local exchange areas served by CenturyTel are currently served by the Madison River Companies, and that there are no adjacent territories. The Applicants assert that of the four states in which the Madison River Companies provide local exchange services, CenturyTel provides local exchange service in only one of them, Alabama, and that the dominant local exchange carrier in that instance is not a party to this transaction.⁸ However, as described above, the Applicants assert that CenturyTel provides competitive access service, but not local exchange services, in one Illinois exchange served by Madison River (Galesburg North).

Nationwide, CenturyTel currently serves approximately 2.1 million access lines and 1.2 million long-distance customers. The Applicants state that CenturyTel is a publicly traded company, of which no person or entity owns 10 percent or more of the equity.

On December 17, 2006, CenturyTel entered into a Stock Purchase Agreement (the "Agreement") with Madison River LLC and Madison River Corp. Pursuant to the Agreement,

⁸ According to the Applicants, CenturyTel provides competitive LEC services in the Athens, Decatur, Madison, Huntsville, Florence, Cullman, and Montgomery exchanges, where BellSouth (AT&T) is the dominant local exchange carrier.

CenturyTel will acquire from Madison River LLC a 100 percent equity interest in Madison River Corp. for combined cash and debt of \$830 million. This parent-level stock transfer will effect an indirect transfer of control of the Madison River Companies (each Commission licensees) from Madison River LLC to CenturyTel.

Applicants state that the proposed transaction will serve the public interest because it will provide benefits to customers of the Madison River Companies without any countervailing harms. The Applicants state that CenturyTel brings a proven track record for customer service and provisioning high-quality telecommunications and advanced services to the Madison River Companies' territories. The Applicants state that the Madison River Companies will continue to provide service at substantially the same rates, terms, and conditions as are in effect today. Further, the Applicants state that there will be no reduction, impairment, or discontinuance of service to any customer as a result of the proposed transaction, and the proposed transaction will be largely transparent to the Madison River Companies' current customers.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before February 2, 2007** and **reply comments on or before February 9, 2007**.⁹ Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.

⁹ See 47 C.F.R. § 63.03(a).

- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by the above noted docket number, by any of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the instructions for submitting comments.
- **Federal Communications Commission's Web Site:** <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- **People with Disabilities:** Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Myrva Charles, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C330, Washington, D.C. 20554; email: myrva.charles@fcc.gov;

- (3) Gail Cohen, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C111, Washington, D.C. 20554; e-mail: gail.cohen@fcc.gov;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CYB402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpweb.com.

For further information, please contact Myrva Charles at (202) 418-1506, or Gail Cohen at (202) 418-0939.

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